

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-06 EUR-12 EA-07 NEA-10 IO-13 ISO-00 COME-00

STR-04 LAB-04 AGRE-00 CEA-01 CIAE-00 DODE-00 FRB-03

H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 FEA-01 XMB-02 /126 R

DRAFTED BY EB/FTD:CANGEVINE:HM

APPROVED BY EB/FTD:CANGEVINE

COMMERCE - RSHEPHERD

EUR/RPE - ECASEY

STR - MBSMITH

LABOR - IKRAMER

-----250038Z 029565 /70

P R 242217Z JAN 77

FM SECSTATE WASHDC

TO USMISSION GENEVA PRIORITY

INFO AMEMBASSY BRASILIA

AMEMBASSY CAIRO

AMCONSUL HONG KONG

AMEMBASSY ISLAMABAD

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

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AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

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GENEVA FOR PHELAN

E.O. 11652:N/A

TAGS: ETRD, SZ

SUBJECT:MFA RENEWAL.

REF: GENEVA 347

1. AT THE DECEMBER 1976 MEETING OF THE GATT TEXTILE COMMITTEE, THE COUNTRIES PARTICIPATING IN THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (MFA), WITH THE EXCEPTION OF THE EUROPEAN ECONOMIC COMMUNITY AND, LESS DEFINITELY, TWO OR THREE OTHERS, AFFIRMED THEIR SUPPORT FOR RENEWAL OF THE MFA WITHOUT FORMAL CHANGE AT AN EARLY DATE. THE OPPOSITION TO RENEWAL WAS BASED ON A STATED INTEREST IN OBTAINING PRIOR CONSIDERATION OF POSSIBLE CHANGES OR AGREEMENTS TO INTERPRETATIONS OF THE MFAS. CHANGES IN, OR AGREEMENT TO INTERPRETATIONS OF, THE MFA. IN THE ABSENCE OF CONSENSUS THE MEETING CONCLUDED WITHOUT A DECISION ON THE MFA'S FUTURE.

2. AT THE REQUEST OF THE CHAIRMAN OF THE TEXTILE COMMITTEE, GATT DIRECTOR-GENERAL OLIVIER LONG, SEVEN LEADING IMPORTING PLUS SEVEN LEADING EXPORTING COUNTRIES MET INFORMALLY UNDER LONG'S CHAIRMANSHIP IN GENEVA ON JANUARY 18 TO CONSIDER HOW TO PROCEED WITH THE RENEWAL ISSUE.

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AT THIS "SEVEN-PLUS-SEVEN" MEETING, CANADA, THE NORDIC COUNTRIES, AND THE EEC SAID THEY WISHED FURTHER CONSIDERATION BY THE OTHER PARTICIPATING COUNTRIES OF THE PROBLEMS THEY ALLEGE THEY HAD ENCOUNTERED IN THE OPERATION OF THE MFA AND OF PROPOSALS TO REMEDY THESE PROBLEMS. THE U.S. (STATEMENT PREVIOUSLY REPORTED SEPTEL), AFFIRMED WILLINGNESS TO LISTEN TO ANY PROPOSALS THESE COUNTRIES WISHED TO MAKE. EXPORTING COUNTRIES, WITH NOTICEABLE LACK OF ENTHUSIASM, ACQUIESCED.

3. MEETING THEN DISCUSSED HOW CONSIDERATION OF THE PROBLEMS OF THESE COUNTRIES AND POSSIBLE SOLUTION MIGHT PROCEED. GENERAL SENSE OF MEETING WAS THAT THERE WAS NO NEED FOR FURTHER DISCUSSION OF WHAT THE PROBLEMS WERE, BUT, RATHER, THAT NEXT STEP SHOULD BE EXAMINATION OF PROPOSED SOLUTIONS. CHAIRMAN STATED HE BELIEVED ANY PROPOSALS SHOULD BE DISCUSSED IN SUBSEQUENT INFORMAL SEVEN-PLUS-SEVEN MEETING PRIOR TO RECONVENING OF TEXTILE COMMITTEE.

4. TIMING FOR THIS SEVEN-PLUS-SEVEN MEETING PROVED TO BE A STICKY ISSUE. BOTH CANADA AND EEC EXPRESSED DESIRE TO DEFER MEETING UNTIL END OF FEBRUARY BUT ONLY CANADA WAS ABLE ASSURE CHAIRMAN IT WOULD BE ABLE TO OFFER PROPOSALS BY THAT DATE. CHAIRMAN WAS UNWILLING TO DEFER MEETING BEYOND MIDDLE OF FEBRUARY AND SET MEETING FOR FEBRUARY 16 AT 3:30. PURPOSE OF MEETING WOULD INCLUDE AGREEMENT ON DATE FOR NEXT TEXTILE COMMITTEE MEETING.

5. MEETING AND SUBSEQUENT BILATERAL/TRILATERAL DISCUSSIONS WITH OTHER NATIONS (EC, JAPAN, HONG KONG, CANADA, U.K.) WERE FRUITFUL IN ONE SENSE; FRUSTRATING IN OTHER. ON THE PLUS SIDE: (A) ALL EXPORTING COUNTRIES WHO SPOKE IN SEVEN-PLUS-SEVEN (HONG KONG, BRAZIL, EGYPT, SINGAPORE) STATED THEIR CONTINUED WILLINGNESS TO ACCEPT LIMITED OFFICIAL USE

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RENEWAL WITHOUT CHANGE, AND WE WERE TOLD INFORMALLY THAT THIS REMAINS CASE FOR THE EXPORTING GROUP AS A WHOLE; (B) JAPAN CAME OUT STRONGLY FOR EARLY RENEWAL, TOOK SEPARATE INITIATIVE WITH LONG TO SET EARLY TEXTILE COMMITTEE MEETING, AND GENERALLY SUPPORTED US APPROACH AND POSITION IN TRILATERAL SESSIONS WITH EC; (C) EC HAS RETAINED APPROACH THAT THEY DESIRE TO "NEGOTIATE RENEWAL OF MFA" RATHER THAN TO "RENEGOTIATE THE MFA".

6. ON THE DISCOURAGING SIDE, CANADA APPEARS TO HAVE MOVED FURTHER AWAY FROM DEVELOPING EXPORTING COUNTRIES SINCE DECEMBER MEETING. MORE IMPORTANTLY AND MORE DANGEROUSLY, EC ALSO CLEARLY LINKED PROSPECTS FOR RENEWAL

TO US WILLINGNESS TO SUPPORT CHANGES IN MFA WHICH EC MAY EVENTUALLY DECIDE TO FORMULATE. MEYNELL (EC NEGOTIATOR) HAS SPECULATED EC MAY FIND IT NECESSARY TO OBTAIN A US COMMITMENT ON TEXTILE TARIFF REDUCTION AS WELL AS CHANGES WHICH WOULD HAVE THE EFFECT OF INCREASED BURDEN SHARING BY US, PRIOR TO CONCURRING IN MFA RENEWAL.

7. THE MAIN PROBLEM REMAINS THE EC. UNTIL THE COMMISSION CAN OBTAIN A CONSENSUS FROM MEMBER STATES WHICH WILL ENABLE IT TO ENUNCIATE WITH FAR GREATER CLARITY THAN EXPRESSED HERETOFORE WHAT IT SEEKS OR WHAT ITS OBJECTIVES ARE, THE MFA RENEWAL PROCESS CANNOT PROCEED TOWARD A CONCRETE RESULT. AT LEAST AS FAR AS WE UNDERSTAND THE EC'S TEXTILE NEGOTIATOR TO SAY AND TO IMPLY, IT APPEARS THAT THE COMMISSION IS WILLING, OR FEELS IT MUST FOR INTERNAL POLITICAL REASONS, TRY TO NEGOTIATE FURTHER CONCESSIONS FROM US AS WELL AS EXPORTING COUNTRIES BEFORE

AGREEING TO RENEWAL. THUS THE TIMETABLE FOR RESOLUTION
OF THE MFA'S FUTURE THREATENS TO LENGTHEN, THE THREAT
OF DISRUPTION OF TEXTILE TRADE CAUSED BY UNCERTAINTY
ABOUT THE MFA'S FUTURE LOOMS CLOSER AND THE RISK GROWS
OF TEXTILE TRADE ISSUES ENCROACHING ON BROADER TRADE
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ISSUES.
VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, COMMITTEE MEETINGS, MEETING REPORTS
Control Number: n/a
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Sent Date: 24-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: CANGEVINE:HM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770025-1034
Format: TEL
From: STATE
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770123/aaaaaugx.tel
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Litigation History:
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Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3518350
Secure: OPEN
Status: NATIVE
Subject: MFA RENEWAL.
TAGS: ETRD, SZ
To: GENEVA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e50e2bd2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009